



Reemployment of Older Workers

Background

In June 2013, the program review committee authorized a study to examine the challenges facing unemployed older workers (aged 50 and older) and the strategies available to assist with reentry into the workforce.

Although older workers are the least likely to become unemployed, they are also the most likely to experience long-term unemployment (27+ weeks). Once faced with job loss, their continued unemployment is detrimental personally and to the state economy. The problem is further exacerbated by the increased need and desire to continue working and retire at an older age.

Reported advantages of older workers are stronger English language skills, work ethic, and workplace professionalism.

Challenges to reemployment for older workers include skills deficits, and increased family and financial demands such as college age children and mortgage payments.

There are also reports of employer concerns about lack of creativity and productivity, greater expense, and difficulties supervising more experienced older workers. Negative perceptions about the long-term unemployed are also more likely to be faced by the older unemployed.

The Connecticut Department of Labor maintains statistics on the supply and demand for thousands of occupations. PRI staff developed a framework for identifying which of these occupations might be a good fit for unemployed older workers, applying the following factors: estimated annual job openings (demand); current pool of trained candidates (supply); physical activity requirements of the occupation (physicality index); and adequacy of wage (above the self-sufficiency standard).

Main Points

Older workers (50+ years old) were relatively less likely to become unemployed during the Great Recession; however, their job losses led to longer periods of unemployment, with **4 in 10 unemployed for more than one year**. Individuals jobless for at least one year, have **less than a 1-in-10 chance of becoming reemployed** in a given month.

Of older workers, **men** and those **without college degrees** are more likely to become unemployed. Older unemployed come from a range of industries including manufacturing, construction, and professional services. Overall, **construction and manufacturing** saw the largest recent employment declines, while **education and health** saw continued growth.

In general, unemployment for older workers has had a **negative financial impact**, including loss of savings and increase in debt. **Health** has also been **negatively impacted** by unemployment including loss of health insurance and decrease in average life span.

Entrepreneurship is increasingly an option for 45+ year olds. One study found a higher four year start-up company survival rate (90%) for 45+ year olds compared with company founders younger than 45 years old (47%).

Advantages of older workers are seen in the “soft skills” area including older managers and professionals viewed as **more productive** than younger workers by more than half (56%) of survey respondents.

Overall, **challenges** for 50+ year olds are: general **out-of-date job skills** coupled with not enough time for employers to recoup hiring/training costs before the worker retires; the **erosion of existing skills** the longer one is unemployed; and lack of knowledge and experience searching for positions in the new technological age.

Older job seekers are seen as having **unrealistic salary requirements**, and being **more costly**, due in part to current higher health care costs, and uncertainty as to how costs may change under the Affordable Care Act.

There is also indication of **age discrimination** including: study findings of younger applicants (35-49) being 40 percent more likely to be offered job interviews than 50-62 year-old applicants; and two-thirds of 45-74 year-olds seeing or personally experiencing age discrimination at work.

Next Steps

1. Identify/assess programs to aid reemployment
2. Evaluate community college assistance
3. Consider potential use of technical high schools
4. Identify best practices/model programs